HONOURABLE SRI JUSTICE GODA RAGHURAM

WRIT PETITION No. 14339 of 2006

DATED: 06-12-2006

Between:

M.Veera Kumar Reddy

…Petitioner

and

Corporation Bank,
Guntur Branch, Guntur

…Respondent.

HON'BLE SRI JUSTICE GODA RAGHURAM

W.P.No. 14339 of 2006

ORAL ORDER:

The writ petition is misconceived. It is directed against a communication dated 26-6-2006 issued by the respondent-Bank, being a response bythe Bank to the objections lodged by the petitioner to the notice issued under Section 13 (2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short 'the Act'). The impugned response dated 26-6-2006 was communicated to the petitioner under Section 13 (3-A) of the Act, rejecting his objection and calling upon the petitioner to clear the dues specified in the notice under Section 13 (2) of the Act, failing which the Bank will be proceeding against the petitioner under the provisions of the Act and against the secured assets, for recovery of the dues.

The impugned response issued by the respondent-Bank to the petitioner under Section 13 (3-A) of the Act is the step or proceeding towards taking action under Section 13 (4) of the Act, should the petitioner default in clearing the dues. As and when proceedings under Section 13 (4) of the Act are initiated or taken up, the petitioner has an appellate remedy under Section 17 of the Act (to the Debt Recovery Tribunal) whereat the petitioner can pursue substantive remedies against proceedings initiated under Section 13 (4) of the Act. For every correspondence between the parties, judicial review ought not to be interposed, as it would substantially subvert the

legislative purposes of expeditious recovery of dues to Banks and financial institutions. The legislative intent in not providing an adjudicatory process against an order or communication made by the Bank under Section
13 (3-A) is to ensure that every interlocutory process of communication of respective positions, between Banks or financial institutions on the one hand and the alleged defaulter on the other is not subject to adjudication and thereby leading to avoidable delay in the main process of recovery.

In the aforesaid analysis, the mere communication by the Bank dated 26-6-2006 rejecting the petitioner ‘s objection to the proceedings initiated under the provisions of the Act is not actionable at law, particularly as the petitioner has an appellate remedy under Section 17 of the Act against any action initiated under Section 13 (4) of the Act.

There are no merits in the writ petition. The writ petition is accordingly dismissed. There shall be no order as to costs.

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GODA RAGHURAM, J

6-12-2006
GRR